



January 4, 1993

Secretary
Federal Communications Commission
1919 M Street NW
Washington, DC 20554

Re: MM Docket No. 92-247
RM-8098
Christiansted, VI

Gentlemen:

St. Croix Wireless Co., Inc., permittee of WAVI(FM), Christiansted, Virgin Islands, hereby files its comments in the above referenced proceeding. Enclosed are an original and eleven copies (so that each Commissioner might be served) of our "Opposition to Petition for Rule Making." Any correspondence regarding this matter should be sent to the address below.

Respectfully,
St. Croix Wireless Co., Inc.

John T. Galanses,
President

JTG/at

encl.

RECEIVED

JAN - 5 1993

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

ORIGINAL
FILE

RECEIVED

JAN 5 1993

FCC - MAIL ROOM

RECEIVED

JAN 5 1993

FCC - MAIL ROOM

No. of Copies rec'd
List A B C D E

0411

RECEIVED

BEFORE THE

JAN - 5 1993

Federal Communications Commission

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

WASHINGTON, D.C. 20554

RECEIVED

In the Matter of)
)
Amendment of Section 73.202(b)) RM-8098
Table of Allotments) MM Docket No. 92-247
FM Broadcast Stations)
(Christiansted, Virgin Islands))

JAN 5 1993

FCC - MAIL ROOM

OPPOSITION TO PETITION FOR RULE MAKING

To: The Commission

1. Comes now St. Croix Wireless Co., Inc. ("Wireless") and files its comments in opposition to the above referenced rule making proceeding. Wireless is permittee of FM Broadcast Station WAVI which has been in operation since 1989 and whose "city grade" (3.16 mv/m) contour encompasses the entire island of St. Croix, including both of its "towns" (Frederiksted and WAVI's community of license, Christiansted).

2. In a **Report and Order** in MM Docket No. 87-237, released November 12, 1992, the Commission allotted Channel 278A to Frederiksted with a site restriction that essentially places the station in Christiansted. On the same day the Commission released a **Notice of Proposed Rule Making** in MM Docket No. 92-245 proposing a second allotment of Channel 298A to Frederiksted. Five days later the Commission released another **Notice of Proposed Rule Making** proposing to allot Channel 285A to Christiansted with a site restriction that places the new allotment within six miles of Frederiksted. For the reasons stated herein, Wireless opposes both proposals.

3. The 1990 Census places the population of Christiansted at only 2,555 and Frederiksted at an even smaller 1,044 people. Neither of these unincorporated towns has grown since the 1980 Census. The entire island of St. Croix had a 1990 population of just 50,139, also stagnant.

4. Class A FM stations in the Virgin Islands are permitted to operate with facilities far in excess of mainland Class A stations [see §73.211(b)(3)]. Thus even a Class A station licensed to Christiansted could provide city grade service to Frederiksted and vice versa; indeed a Class A operating anywhere on the island of St. Croix could cover the entire island with a city grade signal. Therefore, the allotment of channels to unincorporated towns becomes meaningless, especially since 93% of the population of St. Croix lives outside its "towns." Logic would dictate that these proposed allotments be considered to be inter-related.

5. At the time of the 1980 Census Frederiksted had one allotment, used by station WVIS. At the request of the licensee the city of license was changed to Christiansted for economic reasons. On September 26, 1992 the island's only daily newspaper the St. Croix Avis carried an article stating that "Frederiksted is dead...streets of Frederiksted are almost empty...Nobody's buying anything..." and there are currently "719 welfare...cases in Frederiksted." Note the population is only 1,044. Yet the Commission in November, 1992 allotted a new FM channel to Frederiksted and proposed the allotment of a second. Along with the existing AM station, this would amount to one radio station for each 348 residents of Frederiksted.

6. Turning to Christiansted, in 1980 it also had one FM allotment in use. Although the town has not grown, the Commission over the years added five additional FM allotments and now proposes a seventh. If this latest proposal is adopted seven FMs and an AM station will mean one radio station for every 319 residents of Christiansted.

7. As pointed out earlier, Frederiksted and Christiansted are essentially the same "market" (i.e., the island of St. Croix). Thus, the Commission is now considering allotting the eighth and ninth FM channels to this small, remote island. These nine FM and two AM stations would of necessity be competing for very limited advertising revenues. Nationally, according to the Radio Advertising Bureau, \$26.45 was spent per person on local radio advertising in 1991. If St. Croix were "average" we can assume a total radio advertising "pie" of about \$1,326,177 for all stations combined. This leaves just \$120,562 for an "average" station. This assumes that all local radio advertising goes to the St. Croix stations, which it does not. In fact, primary coverage is provided to St. Croix by three existing FM's from St. Thomas (only forty miles away) and two outstanding construction permits for Charlotte Amalie and Cruz Bay, VI. In addition, two strong stations from the nearby British Virgin Islands actively solicit radio advertising on St. Croix. The St. Thomas and British stations further decrease the revenue available for the local St. Croix stations.

8. It is simply not financially possible for eleven radio stations to split about \$1.3 million and operate on a budget of about \$10,047 per month. Even without the additional facilities, the broadcasters of St. Croix are now in severe financial straits. One Christiansted FM remained off the air for about a year after running out of money and before being sold. Another has been operating at about one fifth its authorized power for over three years. A third was off the air for thirteen months and attempted to have its city of license changed from Christiansted to Vieques, Puerto Rico (see MM Docket No. 89-495, RM-7272). That licensee told the Commission that "For all practical purposes, Christiansted is presently not a viable location...the Christiansted economy...would not support five FM stations." Since those comments were made in 1990, the Commission has allotted two more FM stations and is now proposing to allot even more new channels.

9. The island of St. Croix is currently allotted seven FM stations. This is more FM stations than allotted to San Juan, Puerto Rico with a population 8.7 times as large as St. Croix; this is more stations than allotted to Miami, Florida with a population 7.1 times as large. This over-abundance of local service is enhanced by a plethora of service from other nearby islands. In no way can it be believed that the island of St. Croix is under-served. Any additional channels can only weaken the existing broadcasters which can hardly survive in even today's competitive climate.

10. The ability to allot so many channels to St. Croix stems from two facts. First, while the Commission allows all classes of FM stations in the Virgin Islands to operate with facilities greater than mainland stations (e.g. a class distance contour of 42 km vs 28 km for Class A's and a class distance contour of 78 km vs 52 km for Class B's), the mileage separation requirements of §73.202 are the same as for mainland stations. St. Croix is just far enough away from St. Thomas and Puerto Rico to squeeze in channel after channel, even though these channels clearly interfere with each other and further degrade FM reception. Secondly, because St. Croix is a remote island, there are few other nearby communities which would limit the number of available channels by using some channels themselves.

11. Thus, St. Croix broadcasters and the public suffer due to the combination of Commission policies and unique geography which together create unbearable competition. The Commission has already accomplished its goals under §307(b) of the Communications Act and additional facilities can only lead to a decrease in the level of service the public is already receiving.

12. Additionally, in this market, the Commission has also already achieved its goal of minority participation. In fact, the majority of St. Croix's currently operating stations are minority owned (both Black and Hispanic), making the allotment of additional channels for this purpose superfluous. Indeed, it is likely that much or most of the economic injury would be felt by minority-owned stations.

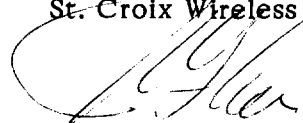
13. On February 10, 1992 the National Association of Broadcasters ("NAB") filed a Petition for Rule Making (RM-7933) seeking review of the Commission's commercial FM allotment and licensing policies. Simultaneously NAB filed a request for temporary suspension of new commercial FM station allotment and application processing (RM-7932). These matters are pending before the Commission. Should the Commission rule favorably on the NAB petition, it is likely that the Commission would conclude that both the Frederiksted and Christiansted proposals are without merit.

SUMMARY

14. During the last decade the number of local stations on St. Croix has increased by 125%. Both Frederiksted and Christiansted have "local" stations and a plethora of service already. The majority of operating stations are already minority-owned. The super-saturation of a small, poor market can in no way serve the public, but can very well be the "financial straw" that breaks the backs of St. Croix broadcasters who have strived for years to serve the public in a highly competitive market with very limited resources. There is no need to rush to make two more allotments simply because they "fit in" technically. It would be more prudent to consider the effect on the overall market and service to the public. In this unique situation the Commission should not routinely determine that more service is better, for such a simplistic determination could well lead to the inability of one or several existing broadcasters to provide any service to the public at all.

15. THEREFORE, Wireless requests the Commission to DENY requests for additional channels anywhere on St. Croix or, failing to do so, at least delay action on such petitions until the petition of the NAB has been considered. At that time the pending allotment petitions could be considered in light of that policy.

Respectfully submitted,
St. Croix Wireless Co., Inc.



John T. Galanses,
President
PO Box 25016
St. Croix, VI 00824

December 29, 1992

District of St. Thomas-St. John)
) SS:
Territory of the United States)
Virgin Islands)

AFFIDAVIT

John T. Galanses hereby deposes and states that:

- 1) he is President of St. Croix Wireless Co., Inc.;
- 2) he prepared the foregoing "Opposition to Petition for Rule Making";
- 3) the facts and statements contained therein are true to the best of his knowledge and belief.



John T. Galanses

Sworn to and signed before me this 29 day of December, 1992.

ME THIS

DAY OF

Notary

My commission expires

(S)


NOTARY PUBLIC

MY COMMISSION EXPIRES: MARCH 29, 1995

CERTIFICATE OF SERVICE

I, John T. Galanses, hereby certify that a copy of the foregoing was mailed personally by me via First Class US Mail to the following person at the address shown on January 4, 1993:

Clayton Knight
Box 1239
Kingshill, St. Croix
US Virgin Islands 00851



John T. Galanses

Signed: JAN 4, 1993